

Message Text

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C O N F I D E N T I A L OECD PARIS 24340

E.O. 11652: GDS

TAGS: ENRG, OECD

SUBJECT: SEPT 17-18 GB MEETING: SECRETARIAT PAPER ON
SUBSTANTIVE OBJECTIVES FOR THE DIALOGUE

BEGIN TEXT:

1. IS IT POSSIBLE TO ESTABLISH WITH DEVELOPING COUNTRIES
A COMMON ASSESSMENT OF ECONOMIC REPERCUSSIONS OF ENERGY
DEVELOPMENTS (RESULTING FROM CHANGING OIL PRICES AND
CONSTRAINTS ON SUPPLY)?
2. IS IT ADVISABLE TO FIND OUT BY DISCUSSION OF THESE
GENERAL ECONOMIC ISSUES THE DEGREE OF PREPAREDNESS OF
ALL PARTIES TO THE DIALOGUE TO ACHIEVE MEANINGFUL
AGREEMENTS WHICH TAKE INTO ACCOUNT AN OVERALL
RESPONSIBILITY WITH REGARD TO A POSITIVE DEVELOPMENT OF
THE WORLD ECONOMY?
3. - IS A NEGOTIATION (IN CONTRAST TO DISCUSSION) OF
LONG-TERM PRICE ARRANGEMENTS ADVISABLE?
- WHAT ARE THE REALISTIC ASSUMPTIONS ABOUT THE OUT-
COME OF SUCH NEGOTIATIONS?
- WOULD PRICE INDEXATION BE AN ELEMENT OF NEGOTIA-
TION OR WOULD IT BE CONTRARY TO THE FUNCTIONING

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OF MARKET FORCES?

- WOULD A CHANGE IN THE ECONOMIC ORDER (LIMITATIONS TO THE FUNCTIONING OF THE MARKET MECHANISM BY IMPLEMENTATION OF ADMINISTRATED MARKETS) BE ACCEPTABLE?
 - TO WHAT EXTENT?
 - IS IT ADVISABLE, INSTEAD OF NEGOTIATING PRICES, TO ESTABLISH A FRAMEWORK FOR CONTINUING DISCUSSION OF OIL CONSUMERS AND OIL PRODUCERS ON OIL PRICES, ON THEIR IMPACT ON THE WORLD ECONOMY AND ON THE ENERGY MARKET?
 - IS IT ADVISABLE TO LEAVE THE PRICE ISSUE ASIDE ALTOGETHER AND TRUST THAT THE IMPACT OF MARKET FORCES AND CO-ORDINATED EFFORTS OF CONSUMING COUNTRIES WILL FINALLY LEAD TO A NEW EQUILIBRIUM WHICH IS BEARABLE FOR THE WORLD ECONOMY, RECOGNIZING THAT OPEC COUNTRIES WILL UNDERTAKE EVERY EFFORT TO MAINTAIN ADVANTAGES THEY HAVE ACHIEVED BY COMMON ACTION?
4. SHOULD WE TRY TO NEGOTIATE AND ACHIEVE LONG-TERM ARRANGEMENTS ON SECURITY OF SUPPLY? FOR WHAT DURATION? AND WHAT CONCESSIONS ARE NECESSARY FOR ACHIEVING THIS?
5. IS IT ADVISABLE TO AGREE TO CHANGES IN THE SYSTEM OF THE WORLD OIL MARKET WHICH SHIFT MARKET PARTICIPATION FROM OIL COMPANIES TO CONSUMER GOVERNMENTS? TO WHAT EXTENT?
6. IS IT ADVISABLE TO SEEK SUBSTANTIAL CO-OPERATION WITH OIL PRODUCERS ON ENERGY RESOURCES AND ENERGY R & D OUTSIDE OPEC COUNTRIES?
- TO WHAT EXTENT?
 - IN WHICH AREAS?
7. IS IT USEFUL TO DEVELOP, TOGETHER WITH OIL PRODUCERS, COMMON STUDIES ON ENERGY PRODUCTION CAPACITIES WITHIN AND OUTSIDE PRODUCING COUNTRIES?
- ARE PRODUCING COUNTRIES IN THE INDUSTRIALIZED WORLD PREPARED TO DISCUSS THEIR PRODUCTION POSSIBILITIES IN SUCH A FORUM TO THE SAME EXTENT OF RELIABILITY AS WOULD BE EXPECTED FROM OPEC COUNTRIES?
8. IS IT ADVISABLE TO NEGOTIATE COMMITMENTS OF OPEC COUNTRIES TO DEVELOP THEIR PRODUCTION CAPACITY?

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9. SHOULD ONE TRY TO ESTABLISH INVESTMENT GUARANTEE AGREEMENTS WITH OIL PRODUCING COUNTRIES, PARTICULARLY AS TO DEVELOPMENT IN THE ENERGY FIELD?
10. ARE INDUSTRIALIZED COUNTRIES PREPARED IN PRINCIPLE TO ACCEPT TRADE-OFFS BETWEEN THE DIFFERENT AREAS OF THE DIALOGUE? TO WHAT EXTENT?
11. SHOULD THE INDUSTRIALIZED COUNTRIES ASK FOR TRADE-

OFFS ON THE SIDE OF THE PRODUCING COUNTRIES?

12. WHAT REAL POSSIBILITIES EXIST TO ASSIST OIL PRODUCING COUNTRIES IN THEIR EFFORTS TO ACHIEVE A MORE INTEGRATED GENERAL ECONOMY WHICH COULD PLAY A MORE BALANCED PART IN THE WORLD ECONOMIC SYSTEM? END TEXT
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